

MEMORANDUM OF UNDERSTANDING

between

THE INTERNATIONAL FRANCHISE ASSOCIATION

and

U. S. DEPARTMENT OF VETERANS AFFAIRS

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PURPOSE

The International Franchise Association (IFA) and the Department of Veterans Affairs (VA) (the "Parties") believe that there are veterans and service members transitioning into civilian life desiring to start their own business who would benefit from a joint effort by the Parties to encourage franchise development opportunities. Included in the veteran community are current and prospective small business owners. The Parties further believe that significant opportunities exist for small franchised businesses to supply products and services cost-effectively from veteran-owned firms. The Parties enter into this Memorandum of Understanding (MOU) to promote veteran-owned small business opportunities through franchise arrangements.

BACKGROUND

International Franchise Association (IFA)

IFA is a membership organization of franchisors, franchisees, and suppliers. The mission of IFA is to enhance and safeguard the business environment for franchisees and franchisors. IFA is a resource for current and prospective franchisees and franchisors, the media, and the government.

U. S. Department of Veterans Affairs (VA)

VA is a government agency whose purpose is to administer the laws providing benefits and other services to veterans and their dependents and the beneficiaries of veterans. Its mission is to serve America's veterans and their families with dignity and compassion and be their principal advocate in ensuring that they receive medical care, benefits, social support, and lasting memorials promoting the health, welfare, and dignity of all veterans in recognition of their service to this Nation.

Scope

The Parties intend to use their respective resources to increase franchise opportunities for eligible, creditworthy veteran-owned small business, and to strengthen the economic well being of our veterans. The Parties may coordinate efforts with Federal, State, county and local agencies, private organizations, financial institutions, community development organizations, veteran service organizations and other local organizations.

RESPONSIBILITIES

1. IFA will increase awareness among IFA members of the opportunities for franchising with veterans and service members transitioning into civilian life to help link franchisors and prospective franchisees in those areas through its publications, conferences, website, special events, and other promotions.
2. IFA will provide selected written material to VA for distribution to local entrepreneurs to make them more aware of the special characteristics of the franchise business, so that VA's network will be better able to assist veteran-owned small franchise business owners to apply for franchise agreements.
3. IFA will offer a free, online tutorial of its "Franchising Basics Course" to veterans. A \$5 registration fee is required, but will be refunded upon receipt of the Certificate of Completion.
4. VA will coordinate with other entities, i.e. Small Business Development Centers (SBDC) and Service Corps of Retired Executives (SCORE), to provide technical assistance, including mentoring, where available, to prospective franchisees who are veterans and who are identified through its partnering agreements. IFA will encourage its members to provide additional support and give other special training to such franchisees. Nothing in this agreement shall be construed to restrict VA's right to provide assistance to veterans in any manner that it deems lawful.
5. The Parties will encourage Lenders to provide capital for creditworthy, existing and prospective franchise veteran-owned small business owners.
6. A representative from VA will attend IFA's annual convention and be permitted to set-up an 8-foot by 10-foot display booth. The cost of registration for this representative will be waived, however all other expenses will be the responsibility of the person attending. IFA will make available a representative to participate at appropriate conferences, seminars, and other outreach functions sponsored by VA based on their availability. The travel expenses will be the responsibility of the person attending.
7. A Veteran Leadership Committee will be formed with a representative from VA and IFA serving as Co-Chairs. They will act as spokespersons for promoting this MOU within their respective organizations and general promotion. They will appoint additional members to assist in supporting this MOU.
8. The Parties will link their websites.

AMENDMENTS

The Parties may amend this MOU at any time by written agreement.

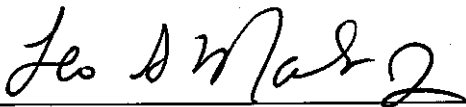
TERM

This MOU will take effect on the date of execution and will remain in effect for one year, at which time the Parties may renew the MOU for a mutually agreed upon period by written agreement.

TERMINATION

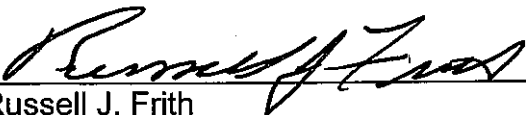
Either Party may terminate this MOU on 30 days written notice to the other Party.

The Parties agree as evidenced by their signatures below:



Leo S. Mackay, Jr., PhD
Deputy Secretary
U.S. Department of Veterans Affairs

April 11, 2003
Date



Russell J. Frith
Chairman of the Board
International Franchise Association

4-11-03
Date